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April 3, 2009

RECEIVED

APR - 7 2009

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Kentucky Public Service Commission
Post Office Box 615
Frankfort, KY 40602

Re: PSC Case No. 2009-00009
Kenergy Corp; City of Lewisport Franchise

Dear Mr. Derouen:

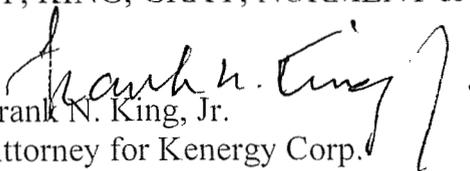
Kenergy's bid for the City of Lewisport franchise has been accepted and the franchise is now in place. Pursuant to ordering paragraph 2 in the Commission's January 14, 2009, order in the above case we enclose herewith for filing two (2) copies of City of Lewisport Ordinance #01-1, the bid form submitted by Kenergy and the February 20, 2009, letter from the City of Lewisport accepting Kenergy's bid. There is no separate franchise agreement document for this transaction and the three (3) enclosed documents constitute the franchise agreement in this transaction.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, KING, GRAY, NORMENT & HOPGOOD

By


Frank N. King, Jr.
Attorney for Kenergy Corp.

FNKJr/cds

Encls.

COPY/w/Encls.: Kenergy Corp.

ORDINANCE # 09-1

AN ORDINANCE PROVIDING FOR THE SALE OF A NON-EXCLUSIVE FRANCHISE OR PRIVILEGE TO CONSTRUCT, MAINTAIN, OPERATE, REPAIR AND REMOVE AN ELECTRIC TRANSMISSION AND/OR DISTRIBUTION SYSTEM, TOGETHER WITH ALL NECESSARY OR CONVENIENT POLES, WIRES, LINES, ANCHORS AND OTHER FACILITIES AND APPURTENANCES FOR THE PURPOSE OF TRANSPORTING, DISTRIBUTING AND VENDING ELECTRIC ENERGY FOR PUBLIC AND PRIVATE USES ALONG, OVER AND ACROSS THE STREETS, AVENUES, LANES, ALLEYS AND PUBLIC GROUNDS OF THE CITY OF LEWISPORT, HANCOCK COUNTY, KENTUCKY, FOR A PERIOD OF FIVE (5) YEARS.

BE IT ORDAINED BY THE CITY OF LEWISPORT AS FOLLOWS:

That the right and privilege to use the public streets, avenues, lanes, alleys and public grounds within the city limits of the City of Lewisport, Hancock County, Kentucky, for the purpose of constructing, maintaining, operating, repairing and removing an electric transmission and/or distribution system, together with poles, lines, wires, anchors and other facilities appurtenant or incident thereto for the transportation, distribution and sale of electric energy to service the City of Lewisport, and public and private uses therein, including adjoining rural area, for a period of five (5) years commencing January 15, 2009, be duly advertised for sale publicly to the highest and best bidder, the City of Lewisport reserving the right to reject any and all bids.

Said sale shall be made for cash in hand at the time of sale or for annual payments, plus all cost of advertising and selling. Said sale shall be subject to confirmation and ratification or rejection by the Lewisport City Council and if the sale shall not be so confirmed and ratified, the amount paid shall be returned to the successful bidder.

The sale of the franchise herein contemplated shall be made by Carrie Dixon, City Clerk of the City of Lewisport, or by some one designated by her, who is hereby commissioned to make due advertisement of said sale, which advertisement shall include a description of said franchise, right and privilege in the Hancock County Clarion, a newspaper of general circulation published in the City of Hawesville, Hancock County, Kentucky. The newspaper advertisement aforesaid shall be published in said newspaper one (1) time not less than seven (7) days nor more than twenty-one (21)

days before the sale and within thirty (30) days after the final passage of this ordinance.

The said City Clerk shall submit a report of the sale in writing to the Lewisport City Council at its next regular meeting after the sale. The terms and conditions of the franchise, right and privilege so to be advertised and offered for sale, and to be granted in the event the sale is confirmed by the Lewisport City Council shall be as follows:

Section 1: The purchaser, his or its successors or assigns, shall have the non-exclusive franchise, privilege, right and power to use and occupy the streets, avenues, alleys, lanes and public grounds within the city limits of the City of Lewisport to construct, maintain, operate, repair and remove an electric transmission and/or distribution system consisting of transmission and/or distribution poles, lines, wires, anchors and all other facilities and appurtenances necessary or convenient for the purpose of transporting, distributing, vending and conveying electric energy for public and private uses in the City of Lewisport and adjoining rural areas, during a term of five (5) years commencing January 15, 2009; provided, however, said franchise may be terminated at the end of four (4) years by either party mailing or delivering to the other party written notice of intent to terminate at least 120 days prior to the end of the fourth year.

The franchise fee shall be an annual lump sum fee of \$5,000, payable June 1st of each year.

Section 2: Said construction, operation, maintenance, repair and removal shall be accomplished with the least practicable inconvenience to the public or individuals and with reasonable dispatch and diligence. All damage to the streets, sidewalks or other public property caused by such operations shall be repaired by the purchaser, his or its successors or assigns, at his or their proper cost and without necessary delay. The purchaser, his or its successors or assigns shall be responsible for all injuries or damage to persons or property occasioned by want of care or negligence in conducting such operation.

The purchaser agrees to the underground placement of power lines and/or facilities in accordance with the purchaser's underground policy. Every reasonable effort shall be made by the purchaser to locate new power lines and/or facilities underground.

The purchaser agrees to allow the City of Lewisport to utilize its power lines and/or facilities for special events, provided said utilization does not violate purchaser's safety regulations and any applicable law.

Section 3: The purchaser, his or his successors or assigns, shall have the right to remove all of its property and facilities from the streets, avenues, lanes, alleys, ways and public grounds of the City of Lewisport, within a reasonable time after the expiration of other termination of this franchise.

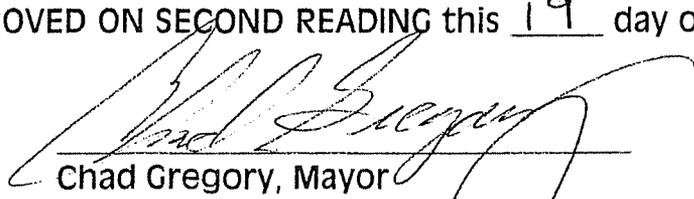
Section 4: The franchise, right, privilege and power herein described, together with all the terms and conditions hereof, shall extend and apply to the successors and assigns of the purchaser, and unlimited and unrestricted power and authority to assign and transfer the same at will and without further consent thereto by the City of Lewisport, or its inhabitants, is hereby expressly given and granted to the purchaser, his or its successors and assigns.

Section 5: The purchaser, his or its successors or assigns shall proceed with due diligence to obtain any required approval of applicable public regulatory bodies, to apply for and operate under this franchise.

Section 6: All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed and this ordinance shall be in full force and effect from and after its final passage.

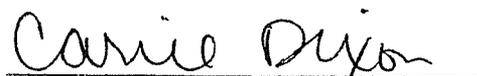
INTRODUCED, PUBLICLY READ, AND APPROVED ON FIRST READING this 22 day of January, 2009.

PUBLICLY READ AND APPROVED ON SECOND READING this 19 day of February, 2009.


Chad Gregory, Mayor

Date: 2-19-09

ATTEST:


Carrie Dixon, City Clerk

PREPARED BY:

Chal J. Kamuf by Charles J. Kamuf

Charles J. Kamuf
City Attorney for the City of Lewisport
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